

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number 3647/091 Mine Name Pioneer mine
Operator Oilsands Technology Date _____
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 19, 2010

HAND DELIVERED

Received by Jimoo Jang

Yeoup Ryu
Oilsand Technology Industry Utah LLC
165 South Main Street, Suite 400
Salt Lake City, Utah 84111

Subject: Surety Release Check Enclosed – Permit Retired, Oilsand Technology Industry Utah, Pioneer Mine, S0470091, Uintah County, Utah

Dear Ryu:

Please find enclosed with this letter a check in the amount of \$28,711.86. This check is for a *full* release of the surety for the Pioneer Mine project. The Division has found the property had yet to be disturbed and is considered completed.

Please find enclosed with this letter the Reclamation Contract. The permit status is now Retired. Thank you for your cooperation.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:lah:pb
Enclosure: Surety refund check
cc: Wstokes@Utah.gov
P:\GROUPS\MINERALS\WP\M047-Uintah\S0470091-PioneerMine\final\RELB- 3441- 04192010.doc



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Oilsand Technology Industry Utah LLC** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S0470091** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

RECEIVED

DEC 14 2007

DIV. OF OIL, GAS & MINING

☒ APPROVED

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
5. If the Surety expressly provides for cancellation or termination for non-renewal:
- A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of

termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.
12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in

an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.

13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Oilsand Technology Industry Utah LLC

Operator Name

By

Yeoup Ryu

Authorized Officer (Typed or Printed)

Secretary of KTIA, Inc., Member of OTIU, LLC

Authorized Officer - Position

[Signature]

Officer's Signature

12/14/2007

Date

STATE OF Utah)

COUNTY OF Salt Lake) ss:

On the 14th day of December, 2007, Yeoup Ryu
personally appeared before me, who being by me duly sworn did say that
he/she is an Officer (owner, officer, director, partner, agent or
other (specify)) of the Operator OTIU LLC and duly acknowledged
that said instrument was signed on behalf of said Operator by authority of its
bylaws, a resolution of its board of directors or as may otherwise be required to
execute the same with full authority and to be bound hereby.

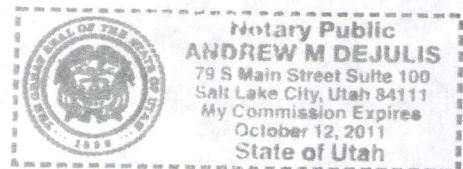
[Signature]

Notary Public

Residing at 79 S. Main ST SLC UT 84111

Oct 12, 2011

My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

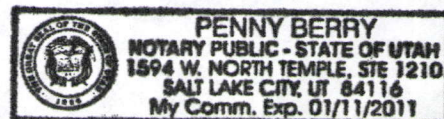
12/19/07
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 19 day of December, 20 07, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



FACT SHEET

Commodity: Tar Sand

Mine Name: Pioneer Mine

Permit Number: S0470091

County: Uintah

Disturbed Acres: Five

Operator Name: Oilsand Technology Industry Utah LLC

Operator address: 165 South Main Street, Suite 400, Salt Lake City, Utah 84111

Operator telephone: 801-521-4446

Operator fax: 801-521-0517

Operator email: akim@koreati.com

Contact: Andrew Kim

Surety Type: Cash (certified funds)

Held by (Bank/BLM): State Treasurer

Surety Amount: \$28,000.00

Surety Account Number: _____

Escalation Year: 2012

Tax ID or Social Security (for cash only): _____

Surface owner: SITLA

Mineral owner: SITLA

UTU and/or ML number: ML 50720

110006817

Account Number:

Account Name: OGM - Oilsand Technology Industry UT LLC

Tran #:

Admin Name: Raylyn Daniel - UST 801-844-8523

Date: 04/05/2010

This check constitutes payment of the following:

Escrow Disbursements
final release of acct #:

Paid For:

Amount: \$28,711.86

110006817

Payee:

Oilsand Technology Industry Utah LLC
c/o Utah State Treasurer
350 North State St Ste 180
PO Box 142315
Salt Lake City UT 84114-2315

HARLAND CLARKE M17873 09624493

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW

OFFICIAL CHECK

110006817

Zions First National Bank
Salt Lake City, Utah
801-844-7089

OGM - Oilsand Technology Industry UT LLC

Trust Account 8911999

4/5/2010

\$28,711.86*

Twenty Eight Thousand Seven Hundred Eleven Dollars & 86/100

Pay to the Order Of:

Oilsand Technology Industry Utah LLC
c/o Utah State Treasurer
350 North State St Ste 180
PO Box 142315
Salt Lake City UT 84114-2315

5104710091



EDWARD T. ALTER, CPA
STATE TREASURER

STATE OF UTAH

UTAH STATE TREASURER
Utah STATE CAPITOL COMPLEX
350 N STATE STREET, Suite 180
P. O. Box 142315
SALT LAKE CITY, UTAH 84114-2315

TEL: (801) 538-1042
FAX: (801) 538-1465
TDD: (801) 538-1042

RICHARD K. ELLIS
CHIEF DEPUTY STATE TREASURER

CHRISTINE M. BRANDT
STATE INVESTMENT OFFICER

January 31, 2008

Mr. Jed Pearson
Division of Oil, Gas & Mining
1594 W North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114

Dear Mr. Pearson:

I hereby certify that Oilsand Technology Industry Utah LLC has deposited with the Utah State Treasurer-Oil Gas & Mining cash or securities valued at \$28,000.00 and described as follows:

Interest bearing escrow account held at Zions First National Bank

The above described securities have been deposited and assigned to the Utah State Treasurer as a Reclamation Surety as required by Section 40-8-14 Utah Code Annotated, and will be held by the Utah State Treasurer until release is requested by the Division of Oil, Gas & Mining.

Sincerely,

A handwritten signature in blue ink that reads "Coleen Hackwell".

Coleen Hackwell
Financial Analyst

02911

11-24

Office AU #

1210(8)

CASHIER'S CHECK

0291103060

Operator I.D.: **utah1632**

utah0621

December 14, 2007

PAY TO THE ORDER OF

*****UTAH STATE TREASURER*****
*****OTIUMML50720 SURETY*****

****Twenty-eight thousand dollars and no cents****

****\$28,000.00****

WELLS FARGO BANK, N.A.

79 S MAIN ST

SALT LAKE CITY, UT 84111

FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US \$ 28,000.00

AUTHORIZED SIGNATURE

5/047/0091



From: William Stokes
To: Paul Baker
Date: 12/13/2007 1:25 PM
Subject: Re: OTIU/Pioneer Mine

Your estimate of the bond amount satisfies the requirements of the Trust Lands Administration. Thanks

>>> Paul Baker 12/13/2007 1:01 PM >>>
Will--

I need your concurrence for the surety amount for the Pioneer Mine to be operated by Oilsands Technology Industry Utah. Our standard amount for five acres escalated three years is \$20,700. They have a fairly long list of equipment, but everything would be on skids or wheels, i.e. no foundations, so the figure I came up with is \$26,000. Would you be comfortable with this?

Paul

CASHIER'S CHECK

0291103060

02911 11-24
Office AU # 1210(8)

Operator I.D.: utah1632 utah0621

December 14, 2007

PAY TO THE ORDER OF ***UTAH STATE TREASURER***
OTIUMML50720 SURETY

Twenty-eight thousand dollars and no cents

\$28,000.00

WELLS FARGO BANK, N.A.
79 S MAIN ST
SALT LAKE CITY, UT 84111
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US \$ 28,000.00

AUTHORIZED SIGNATURE

ORIGINAL CHECK
ROUTED TO ACCOUNTING

RECEIVED


DEC 14 2007

DIV. OF OIL, GAS & MINING

Cash RECEIPT

Date 12-18-07

MINERALS BOND \$28,000

Amounts	
Permit Number	S10471091
Operator	Oil and Technology Industry Utah LLC
Received by	Jed Pearson
Signature	I confirm the dollar amount of this check is correct ^{the} and amount. 

☒ APPROVED